

103D CONGRESS
1ST SESSION

H. R. 527

To amend the Internal Revenue Code of 1986 to permit individuals who withdrew certain amounts from individual retirement accounts to recontribute such amounts.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1993

Mr. NEAL of Massachusetts introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit individuals who withdrew certain amounts from individual retirement accounts to recontribute such amounts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 219 of the Internal Revenue Code of
4 1986 (relating to retirement savings) is amended by redes-
5 ignating subsection (h) as subsection (i) and by inserting
6 after subsection (g) the following new subsection:

7 “(h) RESTORATION OF CERTAIN EARLY WITHDRAW-

8 ALS.—

1 “(1) IN GENERAL.—If an individual received a
2 distribution described in paragraph (4) from an indi-
3 vidual retirement plan, such individual may
4 recontribute such distribution to an individual retire-
5 ment plan in the manner provided in this subsection.

6 “(2) METHOD OF MAKING RECONTRIBUTION.—
7 Any recontribution of a distribution described in
8 paragraph (4) received by any individual—

9 “(A) may be made only during the 5-year
10 period beginning on the later of the date on
11 which such distribution was received or the date
12 of the enactment of this subsection,

13 “(B) shall not exceed the amount of such
14 distribution reduced by any prior recontribution
15 under this subsection with respect to such dis-
16 tribution, and

17 “(C) shall be made by making a payment
18 in cash to an individual retirement plan for the
19 benefit of such individual.

20 An individual making a contribution as
21 recontribution under this subsection shall designate
22 (in the manner prescribed by the Secretary) such
23 contribution as a recontribution under this sub-
24 section and shall specify the distribution in respect
25 of which such recontribution is being made.

1 “(3) TREATMENT OF RECONTRIBUTION.—

2 “(A) DEDUCTION ALLOWED.—There shall
3 be allowed as a deduction to an individual mak-
4 ing a recontribution under this subsection an
5 amount which bears the same ratio to the
6 amount of such recontribution as the portion of
7 the distribution (with respect to which such
8 recontribution is being made) which was includ-
9 ible in gross income bears to the entire amount
10 of such distribution. Such deduction shall be al-
11 lowed for the taxable year in which such
12 recontribution is made.

13 “(B) TREATED AS ROLLOVER CONTRIBU-
14 TION.—Any recontribution under this sub-
15 section shall be treated as a rollover contribu-
16 tion described in section 408(d)(3) for purposes
17 of this section (other than this subsection), sec-
18 tion 408, and section 4973.

19 “(4) DISTRIBUTIONS TO WHICH SUBSECTION
20 APPLIES.—A distribution is described in this para-
21 graph if—

22 “(A) such distribution is received during
23 the 6-year period beginning on the date 3 years
24 before the date of the enactment of this sub-
25 section, and

1 “(B) an additional tax was imposed under
2 section 72(t) with respect to such distribution.”

3 (b) The amendment made by subsection (a) shall
4 apply to taxable years ending after the date of the enact-
5 ment of this Act.

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